(b) what are the interest liabilities on these debts and deposits;

(c) what was the debt service ratio in 1988-89 taking into account external debts as well as NRI deposits; and

(d) whether Government propose to invoke provisions of the Constitution to fix a ceiling on external debts?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The external debt outstanding and cumulative deposits by the Non-Resident Indians as at the end of financial year 1988-89 are estimated to be Rs. 68831 crores and Rs. 14154 crores respectively, as calculated at the prevailing exchange rates.

(b) The interest paid on external debts outstanding excluding NRI deposits during 1988-89 is estimated to be about Rs. 2700 crores. The information regarding interest paid during 1988-89 on Non-Resident Indians deposits is not available.

(c) The debt service payments (i.e. repayment of principal and payment of interest) on external debt excluding NRI deposits as a percentage to exports plus gross invisible earnings in 1988-89 is estimated to be around 24 per cent. The information regarding NRI deposits is not available.

(d) No, Sir.

Service area approach scheme initiated by RBI for granting agricultural loans

3076. SHRI DHULESHWAR MEE: NA: Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India has initiated Service Area Approach Scheme for granting agricultural loans to farmers through nationalised banks by allotting 15 to 20 villages to each branch of the nationalised banks, if so, what are the details thereof;

(b) whether it is a fact that by such allotment of villages to a particular bank branch, the farmers in Punjab and Rajasthan are finding it difficult to get loans in time;

(c) whether Government's attention has been drawn to a news item which appeared in Seema Sandesh of Ganganagar of 31st May, 1989 regarding the difficulties being faced by the farmers; and

(d) if so, whether Government propose to modify the Scheme to enable the farmers to get loans from any bank branch in that area to their convenience; if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Reserve Bank of India (RBI) has reported that the Service Area Approach to rural lending become operational from 1.4.1989. Under this approach each rural and semi-urban branch of commercial banks/Regional Rural Banks will be allotted 15 to 25 villages as its service area within which it will have responsibility for productive lending with a view to bring about an orderly and planned disbursement of credit. Under this approach each Manager of allottee branch is to conduct a survey of the allotted villages and prepare village profiles indicating the types of activities carried on in his service area. On the basis of village profiles, branches are to prepare Annual Credit plans for lending for different identified activities keeping in view the infrastructural and other facilities available and proposed to be created.

(b) and (c) The RBI has reported that it is not aware of any difficulties being faced by the farmers in Punjab and Rajasthan. Government's attention has also not been drawn to any news item regarding difficulties faced by the farmers in this regard.

(d) RBI has issued guidelines to banks advising that the Service Area Approach should be implemented in a very flexible manner and there should be no dislocation whatsoever in financing of different activities. Even after the Service Area Approach has become operational a prospective borrower will have choice between cooperative and commercial banks/Regional Rural Banks.